

U.S. Customs Service

Treasury Decisions

19 CFR Part 181

(T.D. 02-15)

RIN 1515-AD08

NORTH AMERICAN FREE TRADE AGREEMENT

AGENCY: U.S. Customs Service, Department of the Treasury.

ACTION: Final rule.

SUMMARY: This document sets forth amendments to the Customs Regulations that implement the preferential tariff treatment and other Customs-related provisions of the North American Free Trade Agreement (NAFTA) entered into by the United States, Canada and Mexico. The amendments involve technical rectifications and other conforming changes to reflect amendments to the NAFTA uniform regulations agreed upon by the three NAFTA parties and to reflect changes to the Harmonized Tariff Schedule of the United States.

EFFECTIVE DATE: These amendments are effective April 1, 2002.

FOR FURTHER INFORMATION CONTACT: John Valentine, International Agreements Staff, Office of Regulations and Rulings (202-927-2255).

SUPPLEMENTARY INFORMATION:

BACKGROUND

On December 17, 1992, the United States, Canada and Mexico entered into an agreement, the North American Free Trade Agreement (NAFTA), which, among other things, provides for preferential duty treatment on goods of those three countries. For purposes of the administration of the NAFTA preferential duty provisions, the three countries agreed to the adoption of (1) verbatim NAFTA Rules of Origin Regulations and (2) additional uniform regulatory standards to be followed by each country in promulgating NAFTA implementing regulations under its national law.

The regulations implementing the NAFTA preferential duty and related provisions under United States law are set forth in Part 181 of the

Customs Regulations (19 CFR Part 181) which incorporates, in the Appendix, the verbatim NAFTA Rules of Origin Regulations. When the final rule document setting forth those NAFTA implementing regulations was published in the Federal Register (at 60 FR 46334) on September 6, 1995, Customs also published in that same issue of the Federal Register (at 60 FR 46464), in a general notice, the text of a document entitled “Uniform Regulations for the Interpretation, Application, and Administration of Chapters Three (National Treatment and Market Access for Goods) and Five (Customs Procedures) of the North American Free Trade Agreement” that contained the additional uniform regulatory standards agreed to by the United States, Canada and Mexico. The principles contained in those additional uniform regulatory standards are reflected, as appropriate, in the Part 181 regulatory provisions that precede the Appendix.

On December 12, 2001, the United States Trade Representative, the Canadian Minister of International Trade, and the Mexican Secretary of the Economy in an exchange of letters agreed, among other things, to make certain technical rectifications to the NAFTA uniform regulation provisions referred to above, subject to the completion of each Party’s domestic legal procedures. This rulemaking effects these changes for the United States. The changes in question are described below.

Change to the uniform regulatory standards

In the document setting forth the additional uniform regulatory standards agreed to by the United States, Canada and Mexico, in Section B—Administration and Enforcement, under the heading “Article VI: Origin Verifications,” a new paragraph 32 was added after paragraph 31 to read as follows:

32. Each Party shall, through its customs administration when conducting a verification of origin to which Generally Accepted Accounting Principles may be relevant, apply and accept the Generally Accepted Accounting Principles applicable in the territory of the Party in which the good is produced or in which the exporter is located, as the case may be.

This change was made in part because, as Article 506(8) of the NAFTA is currently worded, it would appear that a customs administration is conducting verification of the regional value content requirement in accordance with Generally Accepted Accounting Principles (GAAP) applicable in the territory of the exporting Party. In fact, as indicated in Article 413 of the NAFTA and throughout the NAFTA Rules of Origin Regulations, the use of GAAP relates to the manner in which costs are recorded and maintained, not the manner in which a verification of origin is conducted. This change was also made to reflect the fact that Article 413 of the NAFTA and the NAFTA regulations refer to the GAAP applicable in the territory of the Party in which the good is produced, the location where the books and records are maintained.

Changes to the NAFTA Rules of Origin Regulations

In the verbatim NAFTA Rules of Origin Regulations, a number of numerical tariff reference and wording changes were made to reflect heading and subheading changes that have been made to the international Harmonized Commodity Description and Coding System (Harmonized System) which formed the basis for the tariff references in the NAFTA verbatim texts. In addition, in those verbatim NAFTA Rules of Origin Regulations, a number of provisions were revised, and some new provisions were added, in order to clarify issues or address problems that came to the attention of the NAFTA signatories after the NAFTA went into effect. The following points are noted regarding the latter substantive textual changes:

1. In the definitions in Part I, Section 2, a new paragraph (6)(f) was added to provide that total cost includes the impact of inflation as recorded on the books of the producer if recorded in accordance with GAAP. *Explanation:* Reexpression costs are costs typically recorded in the accounting records based on GAAP in countries with a history of high inflation. Reexpression costs associated with inflation, in accordance with procedures to be followed by the GAAP applicable in a territory, are recorded on the books of a producer. Basically, the inventories, machinery and equipment, cost of sales, depreciation expenses, and capital are reexpressed to adjust values and costs for increases or decreases due to inflation. The computations are based on indices established in the prior years and applied consistently throughout the future years. Because these costs are recorded on the books in accordance with GAAP and are not otherwise listed with those costs specifically excluded from the net cost calculation, they are included in the total cost. New paragraph (6)(f) was added to make this clear.

2. In the provisions regarding materials in Part IV, Section 7, subsection (16) was revised and new subsections (16.1) and (16.2) were added. *Explanation:* The revision of subsection (16) and the addition of new subsection (16.1) were intended to clarify two situations with respect to the use of an inventory management method for fungible materials and fungible goods. First, revised subsection (16) clarifies that, subject to subsection (16.1), a producer may use a single inventory management system for fungible materials that are maintained in two or more locations within the territories of the NAFTA parties and are withdrawn for use in the production of a good. Second, new subsection (16.1) makes it clear that, for a producer who withdraws both fungible materials and fungible goods from the same inventory, the producer must use the same inventory management method for that inventory, and the inventory management method must be one that is used for the fungible goods. New subsection (16.2) was added to establish the time at which a producer is determined to have made a choice with regard to an inventory management method for fungible materials or fungible commingled goods, in particular for purposes of applying the provisions of Sections 3 and 12 of Schedule X.

3. In the automotive parts averaging provisions in Part V, Section 12, paragraphs (a) and (b) of subsection (5) were revised. *Explanation:* As previously worded as a result of a textual change adopted by the NAFTA parties in 1995, the text of Section 12(5)(a) and (b) only referred to the *one/three month periods that are evenly divisible into the remaining months of a parts producer's fiscal year*. However, the one or three month period chosen by a parts producer may also be based on a motor vehicle producer's fiscal year. The 1995 amendment to Section 12(5)(a) and (b) had the unintentional effect of limiting the one or three month averaging period that is otherwise allowed by Article 403(4) of the NAFTA. The new revision of Section 12(5)(a) and (b) serves to align the regulations on the NAFTA text by including a reference to the motor vehicle producer's fiscal year. This amendment ensures that Sections 12(7) through 12(9) will apply to every situation that could arise in the event a parts producer wants to change the averaging period for its goods, and it will provide for a reasonable transition period in the event that the initial averaging period is less than a fiscal year as a result of the change in an averaging period.

4. In Schedule VII, in the provisions regarding methods to reasonably allocate costs, a new Section 4.1 was added and Section 5 was revised. *Explanation:* For purposes of determining total cost, certain costs, such as costs for research and development and costs of obsolete materials, are expensed in one period but are also allocated, for internal management purposes only, to goods to be produced in a different period. New section 4.1 is intended to provide guidance on when the allocation of these costs is considered to be "reasonable" for purposes of Section 4 of Schedule VII. Specifically, new Section 4.1 states that the allocation of costs expensed during a previous period are reasonably allocated to goods of a current period if the allocation is based on a producer's accounting system that is maintained for its own internal management purposes. Therefore, if a producer does not have an accounting system to allocate, to current production, costs that are associated with goods produced in a prior period, then those costs are not reasonably allocated and may not be included in the total cost of the goods produced in the current period. New section 5 simply clarifies that any allocation method referred to in Section 3, 4 or 4.1 and used by a producer must be used throughout the producer's fiscal year.

5. In Schedule VII, in the provisions regarding costs not reasonably allocated, paragraph (b) of Section 6 was revised. *Explanation:* In some circumstances, costs relating to the production of the good in the current period are recorded as part of the gain or loss relating to the disposition of a discontinued operation. In this case, under the prior text of paragraph (b) of Section 6 of Schedule VII, these costs would not be reasonably allocated to the cost of the good. However, as part of amendments to the NAFTA Rules of Origin Regulations agreed to by the NAFTA parties in 1994, the definition of discontinued operations in Schedule VII was refined to link it to the definition as set out in each

country's GAAP. Because both Canadian and American GAAP include, in the gain or loss, operating costs that are incurred between the time that there is a formal plan of disposal and the disposition date, the unintended effect of the prior paragraph (b) text after the 1994 changes was to exclude these current production costs from net costs (this problem does not arise under the Mexican GAAP). Therefore, it was necessary to amend paragraph (b) of Section 6 to clarify that "gains or losses related to the production of the good" are considered reasonably allocated for purposes of Schedule VII.

6. In Schedule X which concerns inventory management methods, Section 3 in the Part I provisions regarding fungible materials, and Section 12 in the Part II provisions regarding fungible goods, were revised. *Explanation:* It had been noted that, under certain circumstances during a verification, a producer may not actually "be determined to have made a choice" with regard to an inventory management method until after the close of the fiscal year in which the production took place. The revision of Sections 3 and 12 were intended to make it clear that, when a producer makes a choice with regard to an inventory management method for fungible materials or goods, the producer is required to use the selected method for the remainder of the fiscal year of production of the materials or goods undergoing the verification, rather than for the remainder of the fiscal year in which the producer is considered to have made the choice.

Conforming changes to Part 181 of the Customs Regulations

In keeping with the regulatory obligations assumed by the United States under the NAFTA, the regulations in Part 181 of the Customs Regulations must be amended to reflect the trilaterally-agreed changes referred to above. Accordingly, this document makes the following changes to the Part 181 texts:

1. In § 181.72, which sets forth provisions regarding the scope and method of origin verifications, paragraph (b), which refers to the use of Generally Accepted Accounting Principles, is revised in response to the inclusion of new paragraph 32 in the additional uniform regulatory standards document. Although the revised paragraph (b) text is worded somewhat differently to reflect its U.S. regulatory context, it reflects the substance of the trilaterally-agreed text.

2. The Appendix to Part 181 has been amended to reflect the agreed numerical and text changes to the verbatim NAFTA Rules of Origin Regulations. As in the case of amended paragraph (b) of § 181.72, some slight changes have been made to the trilaterally-agreed texts to reflect the U.S. regulatory context. Similarly, consistent with the general approach taken throughout the Appendix to Part 181, the amended numerical tariff references reflect the subheadings as set forth in the Harmonized Tariff Schedule of the United States (HTSUS), in line with changes to the international Harmonized System and to reflect changes agreed for the trilateral NAFTA texts.

In addition, one additional conforming change, has been included in the Appendix to Part 181. This change involves replacing the reference to tariff items “2106.90.16 and 2106.90.17” by a reference to tariff items “2106.90.48 and 2106.90.52” within paragraph (c) of subsection (4) under Section 5 of Part II. This change is necessary to reflect the trilateral NAFTA texts and the current numbering of the subheadings in the HTSUS.

INAPPLICABILITY OF PUBLIC NOTICE AND COMMENT PROCEDURES AND DELAYED EFFECTIVE DATE REQUIREMENTS

Pursuant to the provisions of 5 U.S.C. 553(a), public notice and comment procedures are inapplicable to these final regulations because they are within the foreign affairs function of the United States. In addition, for the above reason and because the Parties have agreed to promulgate these NAFTA implementing regulations changes no later than April 1, 2002, it is determined that good cause exists under the provisions of 5 U.S.C. 553(d)(3) for dispensing with a 30-day delayed effective date.

EXECUTIVE ORDER 12866

Because this document involves a foreign affairs function of the United States and implements an international agreement, it is not subject to the provisions of E.O. 12866.

REGULATORY FLEXIBILITY ACT

Based on the supplementary information set forth above and because these regulations implement obligations of international agreements and statutory requirements relating to those agreements, pursuant to the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) it is certified that the regulations will not have a significant economic impact on a substantial number of small entities. Accordingly, the regulations are not subject to the regulatory analysis or other requirements of 5 U.S.C. 603 and 604.

DRAFTING INFORMATION

The principal author of this document was Francis W. Foote, Office of Regulations and Rulings, U.S. Customs Service. However, personnel from other offices participated in its development.

LIST OF SUBJECTS IN 19 CFR PART 181

Administrative practice and procedure, Canada, Customs duties and inspection, Exports, Imports, Mexico, Reporting and recordkeeping requirements, Trade agreements (North American Free-Trade Agreement).

AMENDMENTS TO THE REGULATIONS

For the reasons set forth in the preamble, Part 181, Customs Regulations (19 CFR Part 181), is amended as set forth below.

1. The authority citation for Part 181 is revised to read as follows:

Authority: 19 U.S.C. 66, 1202 (General Note 23, Harmonized Tariff Schedule of the United States), 1624, 3314.

2. In § 181.72, paragraph (b) is revised to read as follows:

§ 181.72 Verification scope and method.

* * * * *

(b) *Applicable accounting principles.* When conducting a verification of origin to which Generally Accepted Accounting Principles may be relevant, Customs will apply and accept the Generally Accepted Accounting Principles applicable in the country in which the good is produced or in which the exporter is located.

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3. In the Appendix to Part 181:

a. In Part I, Section 2, under the heading “Calculation Of Total Cost,” subsection (6) is amended by removing the word “and” at the end of paragraph (d), removing the period at the end of paragraph (e) and adding, in its place, a semicolon followed by the word “and”, and adding a new paragraph (f);

b. In Part II, Section 5, under the heading “Exceptions,” subsection (4) is amended:

(i) In paragraph (c), by removing the words “2009.30 that is used in the production of a good provided for in any of subheadings 2009.11 through 2009.30 and tariff items 2106.90.16 and 2106.90.17” and adding, in their place, the words “2009.39 that is used in the production of a good provided for in any of subheadings 2009.11 through 2009.39 and tariff items 2106.90.48 and 2106.90.52”;

(ii) In paragraph (d), by removing the reference “2101.10.21” and adding, in its place, the reference “2101.11.21”; and

(iii) By revising paragraph (i);

c. In Part III, Section 6, under the heading “Net Cost Method Required In Certain Circumstances,” subsection (6)(d)(iv) is revised;

d. In Part IV, Section 7, under the heading “Fungible Materials; Fungible Commingled Goods; Inventory Management Methods For Determining Whether Originating,” subsection (16) is revised and new subsections (16.1) and (16.2) are added;

e. In Part V, Section 12, under the heading “Periods For Averaging RVC For Automotive Parts,” subsection (5) is amended by revising paragraphs (a) and (b);

f. In Part VI, Section 16, under the heading “Exceptions For Certain Goods,” subsection (3) is amended by removing the words “8542.11 through 8542.80” and adding, in their place, the words “8542.10 through 8542.70”;

g. In Schedule IV:

(i) The listing “4010.10” is revised to read “4010.31 through 4010.34 and 4010.39.10 through 4010.39.20”;

(ii) The listing “8415.81 through 8415.83” is revised to read “8415.20”;

- (iii) The listing “8519.91” is revised to read “8519.93”; and
- (iv) The listing “8537.10.30” is revised to read “8537.10.60”;

h. In Schedule VII:

- (i) Under the heading “Methods To Reasonably Allocate Costs,” a new Section 4.1 is added after Section 4, and Section 5 is revised; and

- (ii) Under the heading “Costs Not Reasonably Allocated,” Section 6 is amended by revising paragraph (b); and

i. In Schedule X:

- (i) In Part I, under the heading “General,” Section 3 is revised; and
- (ii) In Part II, under the heading “General,” Section 12 is revised.

The additions and revisions read as follows:

APPENDIX TO PART 181—RULES OF ORIGIN REGULATIONS

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PART I

SECTION 2. DEFINITIONS AND INTERPRETATION

* * * * *

CALCULATION OF TOTAL COST

(6) * * *

- (f) total cost includes the impact of inflation as recorded on the books of the producer, if recorded in accordance with the Generally Accepted Accounting Principles of the producer’s country.

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PART II

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SECTION 5. DE MINIMIS

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EXCEPTIONS

(4) * * *

- (i) a non-originating material that is used in the production of a good provided for in any of tariff item 7321.11.30 (gas stove or range), subheadings 8415.10 through 8415.83, 8418.10 through 8418.21, 8418.29 through 8418.40, 8421.12, 8422.11, 8450.11 through 8450.20 and 8451.21 through 8451.29, and tariff items 8479.89.55 (trash compactors) and 8516.60.40 (electric stove or range);

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PART III

SECTION 6. REGIONAL VALUE CONTENT

* * * * *

NET COST METHOD REQUIRED IN
CERTAIN CIRCUMSTANCES

(6) * * *

(d) * * *

(iv) a good provided for in subheading 8469.11;

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PART IV

SECTION 7. MATERIALS

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FUNGIBLE MATERIALS; FUNGIBLE COMMINGLED GOODS; IN-
VENTORY MANAGEMENT METHODS FOR DETERMINING
WHETHER ORIGINATING

(16) Subject to subsection (16.1), for purposes of determining whether a good is an originating good,

(a) where originating materials and non-originating materials that are fungible materials

(i) are withdrawn from an inventory in one location and used in the production of the good, or

(ii) are withdrawn from inventories in more than one location in the territory of one or more of the NAFTA countries and used in the production of the good at the same production facility,

the determination of whether the materials are originating materials may be made on the basis of any of the applicable inventory management methods set out in Schedule X; and

(b) where originating goods and non-originating goods that are fungible goods are physically combined or mixed in inventory and prior to exportation do not undergo production or any other operation in the territory of the NAFTA country in which they were physically combined or mixed in inventory, other than unloading, reloading or any other operation necessary to preserve the goods in good condition or to transport the goods for exportation to the territory of another NAFTA country, the determination of whether the good is an originating good may be made on the basis of any of the applicable inventory management methods set out in Schedule X.

(16.1) Where fungible materials referred to in subsection (16)(a) and fungible goods referred to in subsection (16)(b) are withdrawn from the same inventory, the inventory management method used for the materials must be the same as the inventory management method used for the goods, and where the averaging method is used, the respective averaging periods for fungible materials and fungible goods are to be used.

(16.2) A choice of inventory management methods under subsection (16) shall be considered to have been made when the customs administration of the NAFTA country into which the good is imported is informed in writing of the choice during the course of a verification of the origin of the good.

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PART V AUTOMOTIVE GOODS

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SECTION 12. AUTOMOTIVE PARTS AVERAGING

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PERIODS FOR AVERAGING RVC FOR AUTOMOTIVE PARTS

(5) * * *

(a) with respect to goods referred to in subsection (4)(a), (b) or (d), or subsection 4(e) or (f) where the goods in that category are in a category referred to in subsection 4(a) or (b), any month, any consecutive three month period that is evenly divisible into the number of months of the producer's fiscal year, or of the fiscal year of the motor vehicle producer to whom those goods are sold, remaining at the beginning of that period, or the fiscal year of that motor vehicle producer to whom those goods are sold; and

(b) with respect to goods referred to in subsection (4)(c), or subsection (4)(e) or (f) where the goods in that category are in a category referred to in subsection (4)(c), any month, any consecutive three month period that is evenly divisible into the number of months of the producer's fiscal year, or of the fiscal year of the motor vehicle producer to whom those goods are sold, remaining at the beginning of that period, or the fiscal year of that producer or of that motor vehicle producer to whom those goods are sold.

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SCHEDULE VII REASONABLE ALLOCATION OF COSTS

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METHODS TO REASONABLY ALLOCATE COSTS

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SECTION 4.1.

Notwithstanding section 3 and 7, where a producer allocates, for an internal management purpose, costs to a good that is not produced in the period in which the costs are expensed on the books of the producer (such as costs with respect to research and development, and obsolete materials), those costs shall be considered reasonably allocated if

(a) for purposes of section 6(11), they are allocated to a good that is produced in the period in which the costs are expensed, and

(b) the good produced in that period is within a group or range of goods, including identical goods or similar goods, that is produced by the same industry or industry sector as the goods to which the costs are expensed.

SECTION 5.

Any cost allocation method referred to in section 3, 4 or 4.1 that is used by a producer for the purposes of this appendix shall be used throughout the producer's fiscal year.

COSTS NOT REASONABLY ALLOCATED

SECTION 6.

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(b) gains or losses resulting from the disposition of a discontinued operation, except gains or losses related to the production of the good;

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SCHEDULE X

INVENTORY MANAGEMENT METHODS

PART I

FUNGIBLE MATERIALS

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GENERAL

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SECTION 3.

A producer of a good, or a person from whom the producer acquired the fungible materials that are used in the production of the good, may choose only one of the inventory management methods referred to in section 2, and, if the averaging method is chosen, only one averaging period in each fiscal year of that producer or person for the materials inventory.

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PART II

FUNGIBLE GOODS

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GENERAL

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SECTION 12.

An exporter of a good, or a person from whom the exporter acquired the fungible good, may choose only one of the inventory management methods referred to in section 11, including only one averaging period in

the case of the average method, in each fiscal year of that exporter or person for each finished goods inventory of the exporter or person.

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ROBERT C. BONNER,
Commissioner of Customs.

Approved: March 29, 2002.

TIMOTHY E. SKUD,

Deputy Assistant Secretary of the Treasury.

[Published in the Federal Register, April 2, 2002 (67 FR 15480)]

19 CFR Part 191

(T.D. 02-16)

RIN 1515-AD00

DRAWBACK; CONFORMING AMENDMENTS

AGENCY: U.S. Customs Service, Department of the Treasury.

ACTION: Final rule.

SUMMARY: This document amends the Customs Regulations relating to drawback in order to conform with changes that were made to the drawback law by the Miscellaneous Trade and Technical Corrections Act of 1999. The amendments concern drawback on packaging material and drawback in connection with the substitution of finished petroleum derivatives.

Also, a minor clarification is made to the general manufacturing drawback rulings for piece goods and woven piece goods that appear in an appendix to the Customs drawback regulations in order to conform these general rulings with the regulations.

EFFECTIVE DATE: April 8, 2002.

FOR FURTHER INFORMATION CONTACT: William G. Rosoff, Duty and Refund Determination Branch, (202-927-2077).

SUPPLEMENTARY INFORMATION:

BACKGROUND

Drawback is a refund or remission, in whole or in part, of a Customs duty, internal revenue tax, or fee. There are a number of different kinds of drawback authorized under law. The statute providing for specific types of drawback is 19 U.S.C. 1313. Some specific types include draw-

back on manufactured articles, and on rejected or unused merchandise (19 U.S.C. 1313(a), (b), (c), or (j)), as well as drawback on packaging materials (19 U.S.C. 1313(q)), and in connection with the substitution of certain finished petroleum derivatives (19 U.S.C. 1313(p)). The implementing regulations for drawback are contained in part 191 of the Customs Regulations (19 CFR part 191).

The Miscellaneous Trade and Technical Corrections Act of 1999, Public Law 106–36, 113 Stat. 127 (June 25, 1999) (the MTTCA), amended a number of Customs laws, including two provisions of the drawback law. In this latter regard, section 2404 of the MTTCA amended the drawback provision dealing with packaging materials, 19 U.S.C. 1313(q). Also, sections 2419 and 2420 of the MTTCA amended the drawback provision dealing with the substitution of certain finished petroleum derivatives, 19 U.S.C. 1313(p).

PACKAGING MATERIAL; PRIOR LAW

Under 19 U.S.C. 1313(q), drawback was previously payable on packaging material only when the packaging material was imported material that was used to package or repackage merchandise or articles that were exported or destroyed under Customs supervision and that were eligible for drawback under either the manufacturing, rejected or unused merchandise drawback provisions (19 U.S.C. 1313(a), (b), (c), or (j)). Drawback was payable on the imported packaging material under the particular drawback provision to which the packaged goods themselves were subject, either section 1313(a), (b), (c), or (j). The drawback was 99% of the duty that was paid on the imported packaging material.

Section 191.13, Customs Regulations (19 CFR 191.13), implemented the provision for drawback on packaging material under 19 U.S.C. 1313(q).

PACKAGING MATERIAL; AMENDED LAW

As amended by section 2404 of the MTTCA, 19 U.S.C. 1313(q) is redesignated as 19 U.S.C. 1313(q)(1), and a new section 1313(q)(2) is added to provide for drawback as well on packaging material that is manufactured or produced in the United States and used to package or repackage articles that are exported or destroyed under the manufacturing drawback law, 19 U.S.C. 1313(a) or (b). Drawback is payable on the packaging material pursuant to the particular manufacturing drawback provision to which the packaged articles themselves are subject, either section 1313(a) or (b). The drawback is 99% of the duty paid on the imported material that was used in the manufacture or production of the packaging material.

Accordingly, § 191.13 is amended in conformance with the enhanced eligibility of packaging material for drawback under 19 U.S.C. 1313(q), as amended by section 2404 of the MTTCA.

SUBSTITUTION OF FINISHED PETROLEUM DERIVATIVES; PRIOR LAW

Under 19 U.S.C. 1313(p), which concerns the substitution of certain finished petroleum derivatives, drawback was payable upon the timely

exportation of an article which was of the same kind and quality as a qualified article. A qualified article was either an imported, duty-paid article, or a manufactured article that would be eligible for drawback under 19 U.S.C. 1313(a) or (b), should the qualified article itself be exported. Moreover, the qualified article had to be described in headings 2707, 2708, 2710–2715, 2901, and 2902, or in headings 3901–3914 of the Harmonized Tariff Schedule of the United States (HTSUS). However, in the case of headings 3901 through 3914, the qualified articles were limited to liquids, pastes, powders, granules and flakes.

Also, for drawback to have accrued under section 1313(p), the exporter must have imported the qualified article or have manufactured it under section 1313(a) or (b); or have purchased or exchanged the qualified article, either directly or indirectly, from an importer, or from a refinery or facility which produced the article under section 1313(a) or (b). In any event, the qualified article must have been manufactured, imported, or acquired by the exporter in the aforementioned manner, in a quantity at least as great as the quantity of the exported article.

To be of the same kind and quality as the qualified article (solely for the purpose of section 1313(p)), the exported article had to fall within the same 8-digit HTSUS tariff classification as, or be commercially interchangeable with, the qualified article.

Furthermore, the manufacturer, producer, importer, exporter, and drawback claimant were all required to maintain their appropriate records as required by regulation in order for a right to drawback to arise under 19 U.S.C. 1313(p). If a right did arise, the claimant for drawback under section 1313(p) had to be the exporter of the exported article, or the refiner, producer, or importer of that article.

The drawback payable under section 1313(p) was 99% of the duty attributable to the qualified article when the qualified article was a manufactured article that would be eligible for drawback under 19 U.S.C. 1313(a) or (b), and 100% of the duty attributable to the qualified article when the qualified article was an imported, duty-paid article.

Subpart Q of the Customs Regulations (19 CFR subpart Q), consisting of §§ 191.171–191.176 (19 CFR 191.171–191.176), implemented the provisions providing for drawback in connection with the substitution of finished petroleum derivatives under 19 U.S.C. 1313(p).

SUBSTITUTION OF FINISHED PETROLEUM DERIVATIVES; AMENDED LAW

Sections 2419 and 2420 of the MTTCA have made a number of amendments to 19 U.S.C. 1313(p).

Section 2419 of the MTTCA revises the list of qualified articles which may serve as a basis for drawback under section 1313(p) by adding to this list articles that are described in HTSUS subheading 2909.19.14. This subheading covers methyl tertiary-butyl ether (MTBE), a fuel additive used in gasoline. The inclusion of MTBE in the list of articles eligible for drawback under § 191.172 of the Customs Regulations is intended to carry out the statutory requirement in the MTTCA.

Section 2420 of the MTTCA amends 19 U.S.C. 1313(p) primarily by allowing a party to transfer to the exporter or to an intermediate party another article in place of the qualified article provided that the transferred article is of the same kind and quality as the qualified article. As indicated above, under the prior law, the exporter, if not also the importer or refiner of the qualified article, must in fact have received the qualified article from the importer, refiner or an intermediate transferor, following which the exporter could then timely export a substituted article of the same kind and quality as the qualified article.

However, because the chain of commerce involved in petroleum transactions may frequently include a number of different commercial entities, such as importers, refiners, and various intermediaries, who store their products in common tanks and ship them through pipelines carrying other petroleum products, it becomes impracticable or impossible under these circumstances for drawback claimants to trace and account for the specific products that are received and delivered from one entity to another. This situation unduly restricts the flexibility of claimants and associated parties in petroleum transactions.

Accordingly, as already noted, section 2420 of the MTTCA amends 19 U.S.C. 1313(p) by allowing an importer, refiner or producer of a qualified article to transfer to the exporter or to an intermediate party, in place of the qualified article, an article of the same kind and quality as the qualified article. Also, any intermediate party in the chain of commerce leading from the importer, refiner or producer to the exporter may transfer to the exporter or to another intermediate party an article of the same kind and quality as the article that it purchased or exchanged from the prior transferring party (*i.e.*, the refiner, producer, importer, or another intermediate transferor). Each transferred article, regardless of its origin (whether imported, manufactured, substituted, or any combination thereof) would then become the qualified article eligible for drawback for purposes of section 1313(p).

Under the foregoing circumstances, however, the importer, refiner, producer, or any intermediate transferor must certify on a certificate of delivery documenting the transfer (or on a certificate of manufacture and delivery, in the case of the manufacturer or producer of a qualified article under section 1313(a) or (b)) that it has not, and will not, designate on any such certificates issued a quantity greater than the amount of the article eligible for drawback. Each transferor must also agree to maintain appropriate records to establish this fact.

In addition, section 2420 amends 19 U.S.C. 1313(p) as follows: (1) Where drawback on an exported article is based on a qualified article that is imported, duty-paid, drawback is limited to that attributable to the qualified article under the unused merchandise drawback law, 19 U.S.C. 1313(j) (*i.e.*, 99%, as opposed to 100%, of the duty paid on the article); (2) the list of potential drawback claimants is broadened to include the refiner, producer or importer of the qualified article, in addition to the exporter, refiner, producer or importer of the exported article;

and (3) the qualified articles defined by HTSUS subheadings 3901 through 3914 are expanded to include the articles in their primary forms as provided in Note 6 to chapter 39 of the HTSUS (*i.e.*, in addition to liquids, pastes, powders, granules, and flakes, this includes dispersions (emulsions and suspensions) and solutions, as well as blocks of irregular shape, lumps and similar bulk forms of the articles).

Subpart Q, Customs Regulations (§§ 191.171 through 191.176) is amended as necessary to implement the foregoing statutory changes to 19 U.S.C. 1313(p) enacted under sections 2419 and 2420 of the MTTCA.

APPENDIX A TO PART 191; GENERAL MANUFACTURING DRAWBACK
RULINGS FOR PIECE GOODS AND WOVEN PIECE GOODS

In Appendix A to part 191, the general manufacturing drawback rulings for piece goods and woven piece goods, numbered “X.” and “XIV.”, respectively, state under paragraph “G.” concerning “Shrinkage, Gain, and Spoilage” that unless the claim for drawback is based on the quantity of merchandise appearing in the exported articles, the records of the manufacturer or producer must show the yardage lost by shrinkage or gained by stretching during manufacture, and the quantity of remnants resulting and of spoilage incurred, if any. Hence, as indicated under paragraph “G.” in each of these general rulings, the described records do not need to be kept if the claim for drawback on the exported articles is to be determined on the “appearing in” basis.

It is noted that under § 191.23(b), Customs Regulations (19 CFR 191.23(b)), drawback is allowable on the “appearing in” method based only on the amount of imported or substituted merchandise that appears in (or is contained in) the exported articles. In this context, however, § 191.23(e)(2) requires that waste records (which would include records of shrinkage, gain and spoilage incurred in the processing of piece goods) must be kept under the “appearing in” basis if such records are required to establish the quantity of drawback-eligible merchandise or product that appears in the articles that are claimed for drawback.

Moreover, in the final rule document amending the drawback regulations that was published in the Federal Register (63 FR 10970) on March 5, 1998, as T.D. 98–16, the issue was raised as to what records under the “appearing in” basis were needed for waste and for shrinkage, gain, and spoilage in relation to general manufacturing drawback ruling “X.” concerning piece goods manufactured under 19 U.S.C. 1313(b). Specifically, it was stated that paragraphs “F.” as well as “G.” in this general ruling pertaining, respectively, to “Waste” and “Shrinkage, Gain, and Spoilage” seemed to be in conflict with the regulatory requirements for claiming drawback on the “appearing in” method. Customs, in response to this issue, agreed that both paragraphs “F.” and “G.” in the general ruling would be revised consistent with the regulatory provision (§ 191.23(e)(2)) that records for waste and for shrinkage, gain, and spoilage would need to be kept if they were necessary to establish the quantity of merchandise (eligible piece goods) that appeared in the exported articles (63 FR at 10998). However, T.D. 98–16 did not in fact

make the corresponding changes to the actual text of this general ruling in appendix A to part 191.

Accordingly, paragraphs “F.” and “G.” of general manufacturing drawback ruling “X.” dealing with “Waste” and “Shrinkage, Gain, and Spoilage”, respectively, for piece goods manufactured under 19 U.S.C. 1313(b) will now be revised consistent with § 191.23(e)(2). Also, inasmuch as the same principle applies to general manufacturing drawback ruling “XIV.” for woven piece goods manufactured under 19 U.S.C. 1313(a), as discussed above, paragraphs “F.” and “G.” of this general ruling will be revised as well.

EXECUTIVE ORDER 12866 AND INAPPLICABILITY OF PUBLIC NOTICE AND COMMENT AND DELAYED EFFECTIVE DATE REQUIREMENTS AND THE REGULATORY FLEXIBILITY ACT

Because the amendments to the drawback regulations in this final rule are intended merely to conform with statutory law, notice and public procedure are inapplicable and unnecessary pursuant to 5 U.S.C. 553(b)(B), and, pursuant to 5 U.S.C. 553(d)(3), a delayed effective date is not required. Because this document is not subject to the requirements of 5 U.S.C. 553, as noted, it is not subject to the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). Nor do the amendments result in a “significant regulatory action” under E.O. 12866.

PAPERWORK REDUCTION ACT

The collection of information involved in this final rule has previously been reviewed and approved by the Office of Management and Budget (OMB) in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507) and assigned OMB Control Number 1515–0213. This rule does not substantively change the existing approved information collection.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number assigned by OMB.

LIST OF SUBJECTS IN 19 CFR PART 191

Claims, Commerce, Customs duties and inspection, Drawback, Exports, Reporting and recordkeeping requirements.

AMENDMENTS TO THE REGULATIONS

Part 191, Customs Regulations (19 CFR part 191), is amended as set forth below.

PART 191—DRAWBACK

1. The general authority citation for part 191 continues to read as follows:

Authority: 5 U.S.C. 301; 19 U.S.C. 66, 1202 (General Note 22, Harmonized Tariff Schedule of the United States), 1313, 1624.

* * * * *

2. Section 191.13 is amended by designating its existing text as paragraph (a), adding a heading to newly designated paragraph (a), and revising its first sentence, and by adding a new paragraph (b), to read as follows:

§ 191.13 Packaging materials.

(a) *Imported packaging material.* Drawback of duties is provided in § 313(q)(1) of the Act, as amended (19 U.S.C. 1313(q)(1)), on imported packaging material when used to package or repackage merchandise or articles exported or destroyed pursuant to § 313(a), (b), (c), or (j) of the Act, as amended (19 U.S.C. 1313(a), (b), (c), or (j)).* * *

(b) *Packaging material manufactured in United States from imported materials.* Drawback of duties is provided in § 313(q)(2) of the Act, as amended (19 U.S.C. 1313(q)(2)), on packaging material that is manufactured or produced in the United States from imported materials and used to package or repackage articles that are exported or destroyed under § 313(a) or (b) of the Act, as amended (19 U.S.C. 1313(a) or (b)). Drawback is payable on the packaging material under the particular manufacturing drawback provision to which the packaged articles themselves are subject, either 19 U.S.C. 1313(a) or (b), as applicable. The drawback will be based on the duty, tax, or fee that is paid on the imported merchandise used to manufacture or produce the packaging material. The packaging material and the imported merchandise used in its manufacture or production must be separately identified on the claim, and all other information and documents required for the particular drawback provision under which the claim is made must be provided for the packaging material as well as the imported merchandise used in its manufacture or production, for purposes of determining the applicable drawback payable.

3. Section 191.171 is amended by revising paragraph (a) to read as follows:

§ 191.171 General; drawback allowance.

(a) *General.* Section 313(p) of the Act, as amended (19 U.S.C. 1313(p)), provides for drawback on the basis of qualified articles which consist of either petroleum derivatives that are imported, duty-paid, and qualified for drawback under the unused merchandise drawback law (19 U.S.C. 1313(j)(1)), or petroleum derivatives that are manufactured or produced in the United States, and qualified for drawback under the manufacturing drawback law (19 U.S.C. 1313(a) or (b)).

* * * * *

4. Section 191.172 is amended by revising paragraph (a) to read as follows:

§ 191.172 Definitions.

* * * * *

(a) *Qualified article.* “Qualified article” means an article described in headings 2707, 2708, 2710 through 2715, 2901, 2902, 2909.19.14, or

3901 through 3914 of the Harmonized Tariff Schedule of the United States (HTSUS). In the case of an article described in headings 3901 through 3914, the definition covers the article in its primary forms as provided in Note 6 to chapter 39 of the HTSUS.

* * * * *

5. Section 191.173 is amended by revising paragraph (e) to read as follows:

§ 191.173 Imported duty-paid derivatives (no manufacture).

(e) *Amount of drawback.* The amount of drawback payable may not exceed the amount of drawback which would be attributable to the imported qualified article under 19 U.S.C. 1313(j)(1) which serves as the basis for drawback.

6. Section 191.175 is amended by revising the first sentence of paragraph (a); by redesignating the existing text of paragraph (b) as paragraph (b)(1), and adding a heading to newly redesignated paragraph (b)(1); by adding a new paragraph (b)(2); and by revising paragraph (c), to read as follows:

§ 191.175 Drawback claimant; maintenance of records.

(a) *Drawback claimant.* A drawback claimant under 19 U.S.C. 1313(p) must be the exporter of the exported article, or the refiner, producer, or importer of either the qualified article or the exported article. * * *

(b) *Certificate of manufacture and delivery or delivery.* (1) *General.* * * *

(2) *Article substituted for the qualified article.* (i) Subject to paragraph (b)(2)(iii) of this section, the manufacturer, producer, or importer of a qualified article may transfer to the exporter an article of the same kind and quality as the qualified article, as so certified, respectively, in a certificate of manufacture and delivery or a certificate of delivery, in a quantity not greater than the quantity of the qualified article.

(ii) Subject to paragraph (b)(2)(iii) of this section, any intermediate party in the chain of commerce leading to the exporter from the manufacturer, producer, or importer of a qualified article may also transfer to the exporter or to another intermediate party an article of the same kind and quality as the article purchased or exchanged from the prior transferor (whether the manufacturer, producer, importer, or another intermediate transferor), as so certified in a certificate of delivery, in a quantity not greater than the quantity of the article purchased or exchanged.

(iii) Under either paragraph (b)(2)(i) or (b)(2)(ii) of this section, the article transferred, regardless of its origin (imported, manufactured, substituted, or any combination thereof), so designated on a certificate of delivery or, in the case of the manufacturer or producer of a qualified article under 19 U.S.C. 1313(a) or (b), on a certificate of manufacture and delivery, will be the qualified article eligible for drawback for purposes of section 1313(p), provided that the following conditions are met:

(A) The party who issues the applicable certificate for the transferred article must expressly state on the certificate that the certificate is prepared pursuant to 19 U.S.C. 1313(p) (the article may not be designated for any other drawback purposes);

(B) The party must certify to the Commissioner of Customs on the certificate or an attachment that it has not, and will not, designate on that certificate and on any other such certificates issued a quantity of the article greater than the amount eligible for drawback; and

(C) The party must certify to the Commissioner of Customs on the applicable certificate or on an attachment that it will maintain appropriate records which establish that it has not designated on any such certificates issued a greater quantity than the amount eligible for drawback.

(c) *Maintenance of records.* The manufacturer, producer, importer, transferor, exporter and drawback claimant of the qualified article and the exported article must all maintain their appropriate records required by this part.

7. In appendix A to part 191, general manufacturing drawback rulings “X.” and “XIV.”, respectively, are amended by adding a sentence after the third sentence of paragraph “F.”, and by adding a sentence at the end of paragraph “G.”, to read as follows:

APPENDIX TO PART 191—
GENERAL MANUFACTURING DRAWBACK RULINGS

* * * * *

X. GENERAL MANUFACTURING DRAWBACK RULING UNDER
19 U.S.C. 1313(b) FOR PIECE GOODS (T.D. 83-73)

* * * * *

F. WASTE

* * * If necessary to establish the quantity of merchandise (eligible piece goods) appearing in the exported articles, such waste records will also be kept. * * *

G. SHRINKAGE, GAIN, AND SPOILAGE

* * * If necessary to establish the quantity of merchandise (eligible piece goods) appearing in the exported articles, such records for shrinkage, gain and spoilage will also be kept.

* * * * *

XIV. GENERAL MANUFACTURING DRAWBACK RULING UNDER
19 U.S.C. 1313(a) FOR WOVEN PIECE GOODS (T.D. 83-84)

* * * * *

F. WASTE

* * * If necessary to establish the quantity of merchandise (eligible piece goods) appearing in the exported articles, such waste records will also be kept. * * *

G. SHRINKAGE, GAIN, AND SPOILAGE

* * * If necessary to establish the quantity of merchandise (eligible piece goods) appearing in the exported articles, such records for shrinkage, gain, and spoilage will also be kept.

* * * * *

ROBERT C. BONNER,
Commissioner of Customs.

Approved: April 1, 2002.

TIMOTHY E. SKUD,

Acting Deputy Assistant Secretary of the Treasury.

[Published in the Federal Register, April 8, 2002 (67 FR 16634)]

(T.D. 02-17)

FOREIGN CURRENCIES

VARIANCES FROM QUARTERLY RATES FOR MARCH 2002

The following rates of exchange are based upon rates certified to the Secretary of the Treasury by the Federal Reserve Bank of New York, pursuant to 31 U.S.C. 5151, and reflect variances of 5 per centum or more from the quarterly rates published in Treasury Decision 02-10 for the following countries. Therefore, as to entries covering merchandise exported on the dates listed, whenever it is necessary for Customs purposes to convert such currency into currency of the United States, conversion shall be at the following rates.

Holiday(s): None.

South Africa rand:

March 1, 2002	.....	\$0.088633
March 2, 2002	.....	.088633
March 3, 2002	.....	.088633
March 4, 2002	.....	.091116
March 5, 2002	.....	.090868
March 6, 2002	.....	.090728
March 7, 2002	.....	.086281
March 8, 2002	.....	.085616
March 9, 2002	.....	.085616
March 10, 2002	.....	.085616
March 11, 2002	.....	.087138
March 12, 2002	.....	.087260
March 13, 2002	.....	.085948
March 14, 2002	.....	.085534
March 19, 2002	.....	.085763
March 20, 2002	.....	.085653
March 21, 2002	.....	.086957
March 22, 2002	.....	.087184

FOREIGN CURRENCIES—Variances from quarterly rates for March 2002
(continued):

South Africa rand (continued):

March 23, 2002	\$0.087184
March 24, 2002 .....	.087184
March 25, 2002 .....	.086580
March 26, 2002 .....	.087032
March 27, 2002 .....	.087108
March 28, 2002 .....	.088222
March 29, 2002 .....	.087873
March 30, 2002 .....	.087873
March 31, 2002 .....	.087873

Venezuela bolivar:

March 1, 2002	\$0.000999
March 2, 2002 .....	.000999
March 3, 2002 .....	.000999
March 4, 2002 .....	.001019
March 5, 2002 .....	.001058
March 6, 2002 .....	.001024
March 7, 2002 .....	.001035
March 8, 2002 .....	.001068
March 9, 2002 .....	.001068
March 10, 2002 .....	.001068
March 11, 2002 .....	.001068
March 12, 2002 .....	.001097
March 13, 2002 .....	.001110
March 14, 2002 .....	.001086
March 15, 2002 .....	.001083
March 16, 2002 .....	.001083
March 17, 2002 .....	.001083
March 18, 2002 .....	.001078
March 19, 2002 .....	.001098
March 20, 2002 .....	.001148
March 21, 2002 .....	.001148
March 22, 2002 .....	.001122
March 23, 2002 .....	.001122
March 24, 2002 .....	.001122
March 25, 2002 .....	.001122
March 26, 2002 .....	.001136
March 27, 2002 .....	.001122
March 28, 2002 .....	.001086
March 29, 2002 .....	.001086
March 30, 2002 .....	.001086
March 31, 2002 .....	.001086

Dated: April 1, 2002.

RICHARD B. LAMAN,
Chief,
Customs Information Exchange.

(T.D. 02-18)

FOREIGN CURRENCIES

DAILY RATES FOR COUNTRIES NOT ON QUARTERLY LIST FOR MARCH 2002

The Federal Reserve Bank of New York, pursuant to 31 U.S.C. 5151, has certified buying rates for the dates and foreign currencies shown below. The rates of exchange, based on these buying rates, are published for the information and use of Customs officers and others concerned pursuant to Part 159, Subpart C, Customs Regulations (19 CFR 159, Subpart C).

Holiday(s): None.

Austria schilling:

March 1, 2002	.....	\$0.062877
March 2, 2002	.....	.062877
March 3, 2002	.....	.062877
March 4, 2002	.....	.063262
March 5, 2002	.....	.063218
March 6, 2002	.....	.063749
March 7, 2002	.....	.063916
March 8, 2002	.....	.063603
March 9, 2002	.....	.063603
March 10, 2002	.....	.063603
March 11, 2002	.....	.063720
March 12, 2002	.....	.063654
March 13, 2002	.....	.063734
March 14, 2002	.....	.064068
March 15, 2002	.....	.064119
March 16, 2002	.....	.064119
March 17, 2002	.....	.064119
March 18, 2002	.....	.064141
March 19, 2002	.....	.063988
March 20, 2002	.....	.064214
March 21, 2002	.....	.064214
March 22, 2002	.....	.063887
March 23, 2002	.....	.063887
March 24, 2002	.....	.063887
March 25, 2002	.....	.063720
March 26, 2002	.....	.063712
March 27, 2002	.....	.063414
March 28, 2002	.....	.063305
March 29, 2002	.....	.063349
March 30, 2002	.....	.063349
March 31, 2002	.....	.063349

Belgium franc:

March 1, 2002	.....	\$0.021448
March 2, 2002	.....	.021448
March 3, 2002	.....	.021448
March 4, 2002	.....	.021579
March 5, 2002	.....	.021564
March 6, 2002	.....	.021745
March 7, 2002	.....	.021802
March 8, 2002	.....	.021696
March 9, 2002	.....	.021696

FOREIGN CURRENCIES—Daily rates for countries not on quarterly list for
March 2002 (continued):

Belgium franc (continued):

March 10, 2002	.....	\$0.021696
March 11, 2002	.....	.021735
March 12, 2002	.....	.021713
March 13, 2002	.....	.021740
March 14, 2002	.....	.021854
March 15, 2002	.....	.021872
March 16, 2002	.....	.021872
March 17, 2002	.....	.021872
March 18, 2002	.....	.021879
March 19, 2002	.....	.021827
March 20, 2002	.....	.021904
March 21, 2002	.....	.021904
March 22, 2002	.....	.021792
March 23, 2002	.....	.021792
March 24, 2002	.....	.021792
March 25, 2002	.....	.021735
March 26, 2002	.....	.021733
March 27, 2002	.....	.021631
March 28, 2002	.....	.021594
March 29, 2002	.....	.021609
March 30, 2002	.....	.021609
March 31, 2002	.....	.021609

Finland markka:

March 1, 2002	.....	\$0.145516
March 2, 2002	.....	.145516
March 3, 2002	.....	.145516
March 4, 2002	.....	.146408
March 5, 2002	.....	.146307
March 6, 2002	.....	.147534
March 7, 2002	.....	.147921
March 8, 2002	.....	.147198
March 9, 2002	.....	.147198
March 10, 2002	.....	.147198
March 11, 2002	.....	.147467
March 12, 2002	.....	.147316
March 13, 2002	.....	.147501
March 14, 2002	.....	.148274
March 15, 2002	.....	.148392
March 16, 2002	.....	.148392
March 17, 2002	.....	.148392
March 18, 2002	.....	.148443
March 19, 2002	.....	.148089
March 20, 2002	.....	.148611
March 21, 2002	.....	.148611
March 22, 2002	.....	.147854
March 23, 2002	.....	.147854
March 24, 2002	.....	.147854
March 25, 2002	.....	.147467
March 26, 2002	.....	.147450
March 27, 2002	.....	.146761
March 28, 2002	.....	.146509
March 29, 2002	.....	.146609
March 30, 2002	.....	.146609
March 31, 2002	.....	.146609

FOREIGN CURRENCIES—Daily rates for countries not on quarterly list for
March 2002 (continued):

France franc:

March 1, 2002	.....	\$0.131899
March 2, 2002	.....	.131899
March 3, 2002	.....	.131899
March 4, 2002	.....	.132707
March 5, 2002	.....	.132615
March 6, 2002	.....	.133728
March 7, 2002	.....	.134079
March 8, 2002	.....	.133423
March 9, 2002	.....	.133423
March 10, 2002	.....	.133423
March 11, 2002	.....	.133667
March 12, 2002	.....	.133530
March 13, 2002	.....	.133698
March 14, 2002	.....	.134399
March 15, 2002	.....	.134506
March 16, 2002	.....	.134506
March 17, 2002	.....	.134506
March 18, 2002	.....	.134552
March 19, 2002	.....	.134231
March 20, 2002	.....	.134704
March 21, 2002	.....	.134704
March 22, 2002	.....	.134018
March 23, 2002	.....	.134018
March 24, 2002	.....	.134018
March 25, 2002	.....	.133667
March 26, 2002	.....	.133652
March 27, 2002	.....	.133027
March 28, 2002	.....	.132798
March 29, 2002	.....	.132890
March 30, 2002	.....	.132890
March 31, 2002	.....	.132890

Germany deutsche mark:

March 1, 2002	.....	\$0.442370
March 2, 2002	.....	.442370
March 3, 2002	.....	.442370
March 4, 2002	.....	.445080
March 5, 2002	.....	.444773
March 6, 2002	.....	.448505
March 7, 2002	.....	.449681
March 8, 2002	.....	.447483
March 9, 2002	.....	.447483
March 10, 2002	.....	.447483
March 11, 2002	.....	.448301
March 12, 2002	.....	.447841
March 13, 2002	.....	.448403
March 14, 2002	.....	.450755
March 15, 2002	.....	.451113
March 16, 2002	.....	.451113
March 17, 2002	.....	.451113
March 18, 2002	.....	.451266
March 19, 2002	.....	.450193
March 20, 2002	.....	.451778
March 21, 2002	.....	.451778
March 22, 2002	.....	.449477

FOREIGN CURRENCIES—Daily rates for countries not on quarterly list for
March 2002 (continued):

Germany deutsche mark (continued):

March 23, 2002	\$0.449477
March 24, 2002 .....	.449477
March 25, 2002 .....	.448301
March 26, 2002 .....	.448250
March 27, 2002 .....	.446153
March 28, 2002 .....	.445386
March 29, 2002 .....	.445693
March 30, 2002 .....	.445693
March 31, 2002 .....	.445693

Greece drachma:

March 1, 2002	\$0.002539
March 2, 2002 .....	.002539
March 3, 2002 .....	.002539
March 4, 2002 .....	.002555
March 5, 2002 .....	.002553
March 6, 2002 .....	.002574
March 7, 2002 .....	.002581
March 8, 2002 .....	.002568
March 9, 2002 .....	.002568
March 10, 2002 .....	.002568
March 11, 2002 .....	.002573
March 12, 2002 .....	.002571
March 13, 2002 .....	.002574
March 14, 2002 .....	.002587
March 15, 2002 .....	.002589
March 16, 2002 .....	.002589
March 17, 2002 .....	.002589
March 18, 2002 .....	.002590
March 19, 2002 .....	.002584
March 20, 2002 .....	.002593
March 21, 2002 .....	.002593
March 22, 2002 .....	.002580
March 23, 2002 .....	.002580
March 24, 2002 .....	.002580
March 25, 2002 .....	.002373
March 26, 2002 .....	.002573
March 27, 2002 .....	.002561
March 28, 2002 .....	.002556
March 29, 2002 .....	.002558
March 30, 2002 .....	.002558
March 31, 2002 .....	.002558

Ireland pound:

March 1, 2002	\$1.098577
March 2, 2002	1.098577
March 3, 2002	1.098577
March 4, 2002	1.105307
March 5, 2002	1.104545
March 6, 2002	1.113814
March 7, 2002	1.116735
March 8, 2002	1.111275
March 9, 2002	1.111275
March 10, 2002	1.111275
March 11, 2002	1.113306
March 12, 2002	1.112164

FOREIGN CURRENCIES—Daily rates for countries not on quarterly list for
March 2002 (continued):

Ireland pound (continued):

March 13, 2002	\$1.113560
March 14, 2002	1.119401
March 15, 2002	1.120290
March 16, 2002	1.120290
March 17, 2002	1.120290
March 18, 2002	1.120671
March 19, 2002	1.118004
March 20, 2002	1.121941
March 21, 2002	1.121941
March 22, 2002	1.116227
March 23, 2002	1.116227
March 24, 2002	1.116227
March 25, 2002	1.113306
March 26, 2002	1.113179
March 27, 2002	1.107973
March 28, 2002	1.106069
March 29, 2002	1.106831
March 30, 2002	1.106831
March 31, 2002	1.106831

Italy lira:

March 1, 2002	\$0.000447
March 2, 2002	.000447
March 3, 2002	.000447
March 4, 2002	.000450
March 5, 2002	.000449
March 6, 2002	.000453
March 7, 2002	.000454
March 8, 2002	.000452
March 9, 2002	.000452
March 10, 2002	.000452
March 11, 2002	.000453
March 12, 2002	.000452
March 13, 2002	.000453
March 14, 2002	.000455
March 15, 2002	.000456
March 16, 2002	.000456
March 17, 2002	.000456
March 18, 2002	.000456
March 19, 2002	.000455
March 20, 2002	.000456
March 21, 2002	.000456
March 22, 2002	.000454
March 23, 2002	.000454
March 24, 2002	.000454
March 25, 2002	.000453
March 26, 2002	.000453
March 27, 2002	.000451
March 28, 2002	.000450
March 29, 2002	.000450
March 30, 2002	.000450
March 31, 2002	.000450

FOREIGN CURRENCIES—Daily rates for countries not on quarterly list for
March 2002 (continued):

Luxembourg franc:

March 1, 2002	.....	\$0.021448
March 2, 2002	.....	.021448
March 3, 2002	.....	.021448
March 4, 2002	.....	.021579
March 5, 2002	.....	.021564
March 6, 2002	.....	.021745
March 7, 2002	.....	.021802
March 8, 2002	.....	.021696
March 9, 2002	.....	.021696
March 10, 2002	.....	.021696
March 11, 2002	.....	.021735
March 12, 2002	.....	.021713
March 13, 2002	.....	.021740
March 14, 2002	.....	.021854
March 15, 2002	.....	.021872
March 16, 2002	.....	.021872
March 17, 2002	.....	.021872
March 18, 2002	.....	.021879
March 19, 2002	.....	.021827
March 20, 2002	.....	.021904
March 21, 2002	.....	.021904
March 22, 2002	.....	.021792
March 23, 2002	.....	.021792
March 24, 2002	.....	.021792
March 25, 2002	.....	.021735
March 26, 2002	.....	.021733
March 27, 2002	.....	.021631
March 28, 2002	.....	.021594
March 29, 2002	.....	.021609
March 30, 2002	.....	.021609
March 31, 2002	.....	.021609

Netherlands guilder:

March 1, 2002	.....	\$0.392611
March 2, 2002	.....	.392611
March 3, 2002	.....	.392611
March 4, 2002	.....	.395016
March 5, 2002	.....	.394743
March 6, 2002	.....	.398056
March 7, 2002	.....	.399100
March 8, 2002	.....	.397148
March 9, 2002	.....	.397148
March 10, 2002	.....	.397148
March 11, 2002	.....	.397874
March 12, 2002	.....	.397466
March 13, 2002	.....	.397965
March 14, 2002	.....	.400053
March 15, 2002	.....	.400370
March 16, 2002	.....	.400370
March 17, 2002	.....	.400370
March 18, 2002	.....	.400506
March 19, 2002	.....	.399553
March 20, 2002	.....	.400960
March 21, 2002	.....	.400960
March 22, 2002	.....	.398918

FOREIGN CURRENCIES—Daily rates for countries not on quarterly list for
March 2002 (continued):

Netherlands guilder (continued):

March 23, 2002	.....	\$0.398918
March 24, 2002	.....	.398918
March 25, 2002	.....	.397874
March 26, 2002	.....	.397829
March 27, 2002	.....	.395969
March 28, 2002	.....	.395288
March 29, 2002	.....	.395560
March 30, 2002	.....	.395560
March 31, 2002	.....	.395660

Portugal escudo:

March 1, 2002	.....	\$0.004316
March 2, 2002	.....	.004316
March 3, 2002	.....	.004316
March 4, 2002	.....	.004342
March 5, 2002	.....	.004339
March 6, 2002	.....	.004375
March 7, 2002	.....	.004387
March 8, 2002	.....	.004365
March 9, 2002	.....	.004365
March 10, 2002	.....	.004365
March 11, 2002	.....	.004373
March 12, 2002	.....	.004369
March 13, 2002	.....	.004374
March 14, 2002	.....	.004397
March 15, 2002	.....	.004401
March 16, 2002	.....	.004401
March 17, 2002	.....	.004401
March 18, 2002	.....	.004402
March 19, 2002	.....	.004392
March 20, 2002	.....	.004407
March 21, 2002	.....	.004407
March 22, 2002	.....	.004385
March 23, 2002	.....	.004385
March 24, 2002	.....	.004385
March 25, 2002	.....	.004373
March 26, 2002	.....	.004373
March 27, 2002	.....	.004353
March 28, 2002	.....	.004345
March 29, 2002	.....	.004348
March 30, 2002	.....	.004348
March 31, 2002	.....	.004348

South Korea won:

March 1, 2002	.....	\$0.000755
March 2, 2002	.....	.000755
March 3, 2002	.....	.000755
March 4, 2002	.....	.000759
March 5, 2002	.....	.000760
March 6, 2002	.....	.000760
March 7, 2002	.....	.000761
March 8, 2002	.....	.000761
March 9, 2002	.....	.000761
March 10, 2002	.....	.000761
March 11, 2002	.....	.000759
March 12, 2002	.....	.000758

FOREIGN CURRENCIES—Daily rates for countries not on quarterly list for
March 2002 (continued):

South Korea won (continued):

March 13, 2002	.....	\$0.000757
March 14, 2002	.....	.000757
March 15, 2002	.....	.000756
March 16, 2002	.....	.000756
March 17, 2002	.....	.000756
March 18, 2002	.....	.000754
March 19, 2002	.....	.000754
March 20, 2002	.....	.000754
March 21, 2002	.....	.000754
March 22, 2002	.....	.000753
March 23, 2002	.....	.000753
March 24, 2002	.....	.000753
March 25, 2002	.....	.000751
March 26, 2002	.....	.000752
March 27, 2002	.....	.000751
March 28, 2002	.....	.000754
March 29, 2002	.....	.000754
March 30, 2002	.....	.000754
March 31, 2002	.....	.000754

Spain peseta:

March 1, 2002	.....	\$0.005200
March 2, 2002	.....	.005200
March 3, 2002	.....	.005200
March 4, 2002	.....	.005232
March 5, 2002	.....	.005228
March 6, 2002	.....	.005272
March 7, 2002	.....	.005286
March 8, 2002	.....	.005260
March 9, 2002	.....	.005260
March 10, 2002	.....	.005260
March 11, 2002	.....	.005270
March 12, 2002	.....	.005264
March 13, 2002	.....	.005271
March 14, 2002	.....	.005299
March 15, 2002	.....	.005303
March 16, 2002	.....	.005303
March 17, 2002	.....	.005303
March 18, 2002	.....	.005305
March 19, 2002	.....	.005292
March 20, 2002	.....	.005311
March 21, 2002	.....	.005311
March 22, 2002	.....	.005283
March 23, 2002	.....	.005283
March 24, 2002	.....	.005283
March 25, 2002	.....	.005270
March 26, 2002	.....	.005269
March 27, 2002	.....	.005244
March 28, 2002	.....	.005235
March 29, 2002	.....	.005239
March 30, 2002	.....	.005239
March 31, 2002	.....	.005239

FOREIGN CURRENCIES—Daily rates for countries not on quarterly list for
March 2002 (continued):

Taiwan N.T. dollar:

March 1, 2002	\$0.028490
March 2, 2002 .....	.028490
March 3, 2002 .....	.028490
March 4, 2002 .....	.028498
March 5, 2002 .....	.028514
March 6, 2002 .....	.028547
March 7, 2002 .....	.028580
March 8, 2002 .....	.028612
March 9, 2002 .....	.028612
March 10, 2002 .....	.028612
March 11, 2002 .....	.028612
March 12, 2002 .....	.028612
March 13, 2002 .....	.028588
March 14, 2002 .....	.028588
March 15, 2002 .....	.028580
March 16, 2002 .....	.028580
March 17, 2002 .....	.028580
March 18, 2002 .....	.028547
March 19, 2002 .....	.028531
March 20, 2002 .....	.028531
March 21, 2002 .....	.028539
March 22, 2002 .....	.028539
March 23, 2002 .....	.028539
March 24, 2002 .....	.028539
March 25, 2002 .....	.028531
March 26, 2002 .....	.028539
March 27, 2002 .....	.028555
March 28, 2002 .....	.028563
March 29, 2002 .....	.028571
March 30, 2002 .....	.028571
March 31, 2002 .....	.028571

Dated: April 1, 2002.

RICHARD B. LAMAN,
Chief,
Customs Information Exchange.

(T.D. 02-19)

FOREIGN CURRENCIES

QUARTERLY RATES OF EXCHANGE:
APRIL 1, 2002 THROUGH JUNE 30, 2002

The table below lists rates of exchange, in United States dollars for certain foreign currencies, which are based upon rates certified to the Secretary of the Treasury by the Federal Reserve of New York under provisions of 31 U.S.C. 5151, for the information and use of Customs officers and others concerned pursuant to Part 159, Subpart C, Customs Regulations (19 CFR 159, Subpart C).

Country	Name of currency	U.S. dollars
Australia	Dollar	\$0.534700
Brazil	Real	0.430108
Canada	Dollar	0.625195
China, P.R.	Yuan	0.120802
Denmark	Krone	0.117827
Hong Kong	Dollar	0.128212
India	Rupee	0.020479
Japan	Yen	0.007501
Malaysia	Ringgit	0.263158
Mexico	New Peso	0.110939
New Zealand	Dollar	0.442700
Norway	Krone	0.114351
Singapore	Dollar	0.541477
South Africa	Rand	0.088028
Sri Lanka	Rupee	0.010444
Sweden	Krona	0.097685
Switzerland	Franc	0.602156
Thailand	Baht	0.022915
United Kingdom	Pound Sterling	1.440700
Venezuela	Bolivar	0.001086

Dated: April 1, 2002.

RICHARD B. LAMAN,
Chief,
Customs Information Exchange.